

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1734  
ANSWERED ON:12.12.2003  
LIQUIDATION OF RRBs  
ALE NARENDRA

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Union Government have liquidated some of the Regional Rural Banks in the country during the past few years;
- (b) if so, the details thereof;
- (c) whether the All India Regional Rural Bank's Federation has expressed concern over the Union Government's attempt to liquidate these RRBs;
- (d) if so, the reaction of the Government thereon;
- (e) whether the recommendations of the Working Group on amendment of RRB Act, 1976 have been fully adopted; and
- (f) if not, the reasons therefor?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a) : No Sir,

(b) : Does not arise.

(c), (d), (e) & (f) : There is no proposal, at this stage to abolish RRBs. Working Group under the Chairmanship of Shri M.V.S. Chalapathi Rao has made comprehensive recommendations on restructuring RRBs, inter alia, suggesting changes in capital structure, ownership pattern, etc. Recommendations of the Working Group are being considered in consultation with other stakeholders viz. State Governments and Sponsor Banks. These recommendations would require detailed examination in terms of long term viability of RRBs, their relevance to the rural credit delivery, capital structure required and better & effective management. Discussions are currently being held with Indian Banks' Association, (Sponsor Banks) Reserve Bank of India and National Bank for Agriculture & Rural Development to take decisions on these critical issues and the discussions at this stage are inconclusive.